

1 AN ACT in relation to taxes.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Property Tax Code is amended by changing  
5 Section 18-165 as follows:

6 (35 ILCS 200/18-165)

7 Sec. 18-165. Abatement of taxes.

8 (a) Any taxing district in Illinois, upon a majority  
9 vote of its governing authority, may, after the determination  
10 of the assessed valuation of its property, order the clerk of  
11 that county to abate any portion of its taxes on the  
12 following types of property:

13 (1) Commercial and industrial.

14 (A) The property of any commercial or  
15 industrial firm, including but not limited to the  
16 property of (i) any firm that is used for  
17 collecting, separating, storing, or processing  
18 recyclable materials, locating within the taxing  
19 district during the immediately preceding year from  
20 another state, territory, or country, or having been  
21 newly created within this State during the  
22 immediately preceding year, or expanding an existing  
23 facility, or (ii) any firm that is used for the  
24 generation and transmission of electricity locating  
25 within the taxing district during the immediately  
26 preceding year or expanding its presence within the  
27 taxing district during the immediately preceding  
28 year by construction of a new electric generating  
29 facility that uses natural gas as its fuel, or any  
30 firm that is used for production operations at a  
31 new, expanded, or reopened coal mine within the

1 taxing district, that has been certified as a High  
2 Impact Business by the Illinois Department of  
3 Commerce and Community Affairs. The property of any  
4 firm used for the generation and transmission of  
5 electricity shall include all property of the firm  
6 used for transmission facilities as defined in  
7 Section 5.5 of the Illinois Enterprise Zone Act.  
8 The abatement shall not exceed a period of 10 years  
9 and the aggregate amount of abated taxes for all  
10 taxing districts combined shall not exceed  
11 \$4,000,000.

12 (A-5) Any property in the taxing district of a  
13 new electric generating facility, as defined in  
14 Section 605-332 of the Department of Commerce and  
15 Community Affairs Law of the Civil Administrative  
16 Code of Illinois. The abatement shall not exceed a  
17 period of 10 years. The abatement shall be subject  
18 to the following limitations:

19 (i) if the equalized assessed valuation  
20 of the new electric generating facility is  
21 equal to or greater than \$25,000,000 but less  
22 than \$50,000,000, then the abatement may not  
23 exceed (i) over the entire term of the  
24 abatement, 5% of the taxing district's  
25 aggregate taxes from the new electric  
26 generating facility and (ii) in any one year of  
27 abatement, 20% of the taxing district's taxes  
28 from the new electric generating facility;

29 (ii) if the equalized assessed valuation  
30 of the new electric generating facility is  
31 equal to or greater than \$50,000,000 but less  
32 than \$75,000,000, then the abatement may not  
33 exceed (i) over the entire term of the  
34 abatement, 10% of the taxing district's

1 aggregate taxes from the new electric  
2 generating facility and (ii) in any one year of  
3 abatement, 35% of the taxing district's taxes  
4 from the new electric generating facility;

5 (iii) if the equalized assessed valuation  
6 of the new electric generating facility is  
7 equal to or greater than \$75,000,000 but less  
8 than \$100,000,000, then the abatement may not  
9 exceed (i) over the entire term of the  
10 abatement, 20% of the taxing district's  
11 aggregate taxes from the new electric  
12 generating facility and (ii) in any one year of  
13 abatement, 50% of the taxing district's taxes  
14 from the new electric generating facility;

15 (iv) if the equalized assessed valuation  
16 of the new electric generating facility is  
17 equal to or greater than \$100,000,000 but less  
18 than \$125,000,000, then the abatement may not  
19 exceed (i) over the entire term of the  
20 abatement, 30% of the taxing district's  
21 aggregate taxes from the new electric  
22 generating facility and (ii) in any one year of  
23 abatement, 60% of the taxing district's taxes  
24 from the new electric generating facility;

25 (v) if the equalized assessed valuation  
26 of the new electric generating facility is  
27 equal to or greater than \$125,000,000 but less  
28 than \$150,000,000, then the abatement may not  
29 exceed (i) over the entire term of the  
30 abatement, 40% of the taxing district's  
31 aggregate taxes from the new electric  
32 generating facility and (ii) in any one year of  
33 abatement, 60% of the taxing district's taxes  
34 from the new electric generating facility;

1           (vi) if the equalized assessed valuation  
2           of the new electric generating facility is  
3           equal to or greater than \$150,000,000, then the  
4           abatement may not exceed (i) over the entire  
5           term of the abatement, 50% of the taxing  
6           district's aggregate taxes from the new  
7           electric generating facility and (ii) in any  
8           one year of abatement, 60% of the taxing  
9           district's taxes from the new electric  
10          generating facility.

11          The abatement is not effective unless the owner  
12          of the new electric generating facility agrees to  
13          repay to the taxing district all amounts previously  
14          abated, together with interest computed at the rate  
15          and in the manner provided for delinquent taxes, in  
16          the event that the owner of the new electric  
17          generating facility closes the new electric  
18          generating facility before the expiration of the  
19          entire term of the abatement.

20          The authorization of taxing districts to abate  
21          taxes under this subdivision (a)(1)(A-5) expires on  
22          January 1, 2010.

23          (B) The property of any commercial or  
24          industrial development of at least 500 acres having  
25          been created within the taxing district. The  
26          abatement shall not exceed a period of 20 years and  
27          the aggregate amount of abated taxes for all taxing  
28          districts combined shall not exceed \$12,000,000.

29          (C) The property of any commercial or  
30          industrial firm currently located in the taxing  
31          district that expands a facility or its number of  
32          employees. The abatement shall not exceed a period  
33          of 10 years and the aggregate amount of abated taxes  
34          for all taxing districts combined shall not exceed

1           \$4,000,000. The abatement period may be renewed at  
2           the option of the taxing districts.

3           (2) Horse racing. Any property in the taxing  
4           district which is used for the racing of horses and upon  
5           which capital improvements consisting of expansion,  
6           improvement or replacement of existing facilities have  
7           been made since July 1, 1987. The combined abatements  
8           for such property from all taxing districts in any county  
9           shall not exceed \$5,000,000 annually and shall not exceed  
10          a period of 10 years.

11          (3) Auto racing. Any property designed exclusively  
12          for the racing of motor vehicles. Such abatement shall  
13          not exceed a period of 10 years.

14          (4) Academic or research institute. The property  
15          of any academic or research institute in the taxing  
16          district that (i) is an exempt organization under  
17          paragraph (3) of Section 501(c) of the Internal Revenue  
18          Code, (ii) operates for the benefit of the public by  
19          actually and exclusively performing scientific research  
20          and making the results of the research available to the  
21          interested public on a non-discriminatory basis, and  
22          (iii) employs more than 100 employees. An abatement  
23          granted under this paragraph shall be for at least 15  
24          years and the aggregate amount of abated taxes for all  
25          taxing districts combined shall not exceed \$5,000,000.

26          (5) Housing for older persons. Any property in the  
27          taxing district that is devoted exclusively to affordable  
28          housing for older households. For purposes of this  
29          paragraph, "older households" means those households (i)  
30          living in housing provided under any State or federal  
31          program that the Department of Human Rights determines is  
32          specifically designed and operated to assist elderly  
33          persons and is solely occupied by persons 55 years of age  
34          or older and (ii) whose annual income does not exceed 80%

1 of the area gross median income, adjusted for family  
2 size, as such gross income and median income are  
3 determined from time to time by the United States  
4 Department of Housing and Urban Development. The  
5 abatement shall not exceed a period of 15 years, and the  
6 aggregate amount of abated taxes for all taxing districts  
7 shall not exceed \$3,000,000.

8 (6) Historical society. For assessment years 1998  
9 through 2003, the property of an historical society  
10 qualifying as an exempt organization under Section  
11 501(c)(3) of the federal Internal Revenue Code.

12 (7) Recreational facilities. Any property in the  
13 taxing district (i) that is used for a municipal airport,  
14 (ii) that is subject to a leasehold assessment under  
15 Section 9-195 of this Code and (iii) which is sublet from  
16 a park district that is leasing the property from a  
17 municipality, but only if the property is used  
18 exclusively for recreational facilities or for parking  
19 lots used exclusively for those facilities. The  
20 abatement shall not exceed a period of 10 years.

21 (8) Relocated corporate headquarters. If approval  
22 occurs within 5 years after the effective date of this  
23 amendatory Act of the 92nd General Assembly, any property  
24 or a portion of any property in a taxing district that is  
25 used by an eligible business for a corporate headquarters  
26 as defined in the Corporate Headquarters Relocation Act.  
27 Instead of an abatement under this paragraph (8), a  
28 taxing district may enter into an agreement with an  
29 eligible business to make annual payments to that  
30 eligible business in an amount not to exceed the property  
31 taxes paid directly or indirectly by that eligible  
32 business to the taxing district and any other taxing  
33 districts for premises occupied pursuant to a written  
34 lease and may make those payments without the need for an

1 annual appropriation. No school district, however, may  
2 enter into an agreement with, or abate taxes for, an  
3 eligible business unless the municipality in which the  
4 corporate headquarters is located agrees to provide  
5 funding to the school district in an amount equal to the  
6 amount abated or paid by the school district as provided  
7 in this paragraph (8). Any abatement ordered or  
8 agreement entered into under this paragraph (8) may be  
9 effective for the entire term specified by the taxing  
10 district, except the term of the abatement or annual  
11 payments may not exceed 20 years.

12 (b) Upon a majority vote of its governing authority, any  
13 municipality may, after the determination of the assessed  
14 valuation of its property, order the county clerk to abate  
15 any portion of its taxes on any property that is located  
16 within the corporate limits of the municipality in accordance  
17 with Section 8-3-18 of the Illinois Municipal Code.

18 (Source: P.A. 91-644, eff. 8-20-99; 91-885, eff. 7-6-00;  
19 92-12, eff. 7-1-01; 92-207, eff. 8-1-01; 92-247, eff. 8-3-01;  
20 revised 9-19-01.)